

Office of Banking and Financial Institutions

| Description | FY 2002 Approved | FY 2003 Proposed | % Change |
|------------------|------------------|------------------|----------|
| Operating Budget | \$2,693,951 | \$2,436,652 | -9.6 |

The mission of the Office of Banking and Financial Institutions (OBFI) is to promote a climate in which financial institutions in the District of Columbia contribute to economic development through the increased availability of capital and credit to expand advantageous financial services in a nondiscriminatory manner.

OBFI plans to fulfill its mission by achieving the following strategic result goals:

- Protect District residents from unfair and abusive practices and establish a fair and equitable business arena.
- Foster the development and revitalization of housing and commercial corridors in underserved District neighborhoods.
- Help meet the credit and deposit services needed by low income and minority residents.
- Enhance access to financial and technical resources available to District residents and businesses operating in the District of Columbia.
- Improve customer satisfaction.
- Operate like a business.

Did you know...

| | |
|--|----|
| Number of services available through the agency's website in FY 2001 | 20 |
| Percent of financial institution licenses and renewals processed within 45 days in FY 2001 | 45 |
| Percent of complaints acknowledged within two days in FY 2001 | 97 |

Where the Money Comes From

Table BI0-1 shows the source(s) of funding for the Office of Banking and Financial Institutions.

Table BI0-1

FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

| | Actual FY 2000 | Actual FY 2001 | Approved FY 2002 | Proposed FY 2003 | Change From FY 2002 |
|--------------------|-------------------|-------------------|---------------------|---------------------|------------------------|
| Local | 446 | 0 | 200 | 0 | -200 |
| Other | 871 | 2,251 | 2,494 | 2,437 | -57 |
| Gross Funds | 1,317 | 2,251 | 2,694 | 2,437 | -257 |

How the Money is Allocated

Tables BI0-2 and 3 show the FY 2003 proposed budget and FTEs for the agency at the Comptroller Source Group level (Object Class level).

Table BI0-2

FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

| | Actual FY 2000 | Actual FY 2001 | Approved FY 2002 | Proposed FY 2003 | Change from FY 2002 |
|--|-------------------|-------------------|---------------------|---------------------|------------------------|
| Regular Pay - Cont Full Time | 647 | 699 | 1,552 | 771 | -781 |
| Regular Pay - Other | 57 | 294 | 0 | 750 | 750 |
| Additional Gross Pay | 18 | 45 | 0 | 0 | 0 |
| Fringe Benefits - Curr Personnel | 91 | 145 | 208 | 192 | -16 |
| <i>Personal Services</i> | <i>813</i> | <i>1,183</i> | <i>1,760</i> | <i>1,712</i> | <i>-48</i> |
| Supplies and Materials | 20 | 3 | 81 | 43 | -37 |
| Telephone, Telegraph, Telegram, Etc | 25 | 14 | 35 | 16 | -19 |
| Rentals - Land and Structures | 104 | 267 | 268 | 278 | 9 |
| Other Services and Charges | 96 | 178 | 197 | 214 | 17 |
| Contractual Services - Other | 117 | 0 | 79 | 108 | 29 |
| Subsidies and Transfers | 0 | 574 | 200 | 0 | -200 |
| Equipment & Equipment Rental | 142 | 34 | 74 | 65 | -9 |
| <i>Non-personal Services</i> | <i>504</i> | <i>1,068</i> | <i>934</i> | <i>724</i> | <i>-209</i> |
| Total Proposed Operating Budget | 1,317 | 2,251 | 2,694 | 2,437 | -257 |

Table BI0-3

FY 2003 Full-Time Equivalent Employment Levels

| | Actual FY 2000 | Actual FY 2001 | Approved FY 2002 | Proposed FY 2003 | Change from FY 2002 |
|----------------------|-------------------|-------------------|---------------------|---------------------|------------------------|
| Continuing full time | 7 | 15 | 27 | 13 | -14 |
| Term full time | 7 | 0.5 | 0 | 14 | 14 |
| Total FTEs | 14 | 15.5 | 27 | 27 | 0 |

Local Funds

The proposed Local funding for the OBFI is \$0, a net decrease of \$200,000, or 100 percent from the FY 2002 approved Local funding level of \$200,000, associated with the start-up costs of the Individual Development Account (IDA). These accounts are matched savings accounts, usually for low-income families, that can be used for home ownership, micro-enterprise, or education purposes. This decrease is in nonpersonal services.

There are no FTEs associated with Local funding.

Other Funds

The proposed Other budget is \$2,436,652, a net decrease of \$57,299 or 2.3 percent from the approved FY 2002 funding level of \$2,493,951. The total variance is comprised of a decrease of \$47,861 in personal services and \$9,438 in non-personal services.

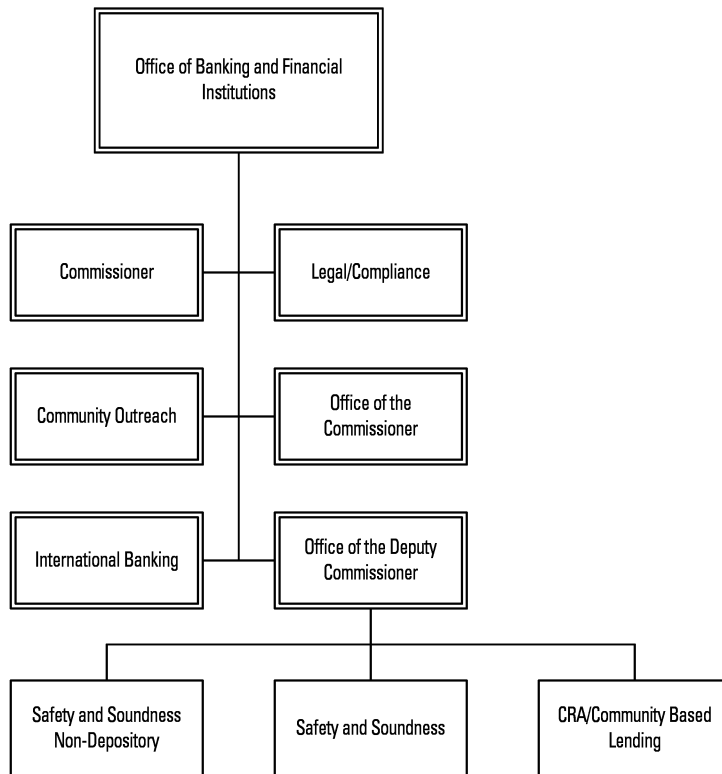
There are 27 FTEs funded by Other funds, which represents no change from the FY 2002 approved FTE level.

Significant changes are:

- A net decrease of \$47,861 in personal services, based on agency contention that the new budget level is a more accurate projection of salary requirements.
- A net decrease of \$9,438 in nonpersonal services based on prior year actuals and anticipated operating costs for FY 2003.

Figure B10-1

Office of Banking and Financial Institutions



Programs

OBFI operates the following programs:

Office of the Commissioner

Under the direction of the Commissioner, the Chief of Staff and Administrative Officer are responsible for managing all of OBFI's administrative, budgetary, personnel, procurement, web site, telecommunications, and technology functions.

The key initiative for this program for FY 2003 is to overhaul, streamline, and modernize the financial institution chartering process.

Office of the Deputy Commissioner

The Office of the Deputy Commissioner is the Liaison between OBFI and various trade associations, boards, groups, committees, and high-ranking public and private officials.

The key initiative for this program for FY 2003 is to introduce federal legislation to establish regulatory parity between the District of Columbia and other states.

Legal/Compliance Division

The Legal/Compliance division addresses deficiencies within the District of Columbia's regulations to ensure adequate protection for residents from abuses by financial institutions and to foster a business-friendly climate to attract financial institutions to operate in the city.

The key initiative for this program for FY 2003 is to develop legislation to protect District residents and provide lending opportunities.

Safety and Soundness Division

The Safety and Soundness division protects consumers from unfair practices through chartering, licensing, examining and investigation of financial institutions in the District of Columbia. The division also establishes an equitable business operating arena.

International Banking Division

The International Banking division develops and implements strategies to nurture and expand international banking and commerce activity within the District of Columbia.

The key initiative for this program for FY 2003 is to position the District in the international banking arena to attract banks and businesses to the District.

Community Reinvestment/Community-Based Lending Division

The Community Reinvestment/Community-Based Lending division partners with financial institutions to ensure community reinvestment, promotes business and community development, and fosters rehabilitation of neighborhood housing and commercial corridors.

The key initiative for this program for FY 2003 is to focus on making small business development funding and resources available to District based businesses.

Community Outreach Division

The Community Outreach division is a full-service financial information and consumer protection resource center for individuals and institutions in the District of Columbia. The division partners with organizations to deliver convenient, leading-edge informational services to the broadest array of citizens at home, work and school. The division is the central point of contact for information about banking and financial institution matters in the District, including consumer, media, and regulatory information.

Key initiatives for this program for FY 2003 are:

- Work to extend traditional and electronic banking services to District residents who do not currently use such services.
- In partnership with diverse community institutions, conduct financial literacy programs, workshops and forums in schools and other neighborhood settings on savings, consumer credit, homebuying, predatory lending and other financial topics.

Agency Goals and Performance Measures

Goal 1: Protect District residents from unfair and abusive practices and establish a fair and equitable business arena.

Citywide Strategic Priority Area: Making Government Work

Manager: Stephen Taylor, General Counsel,
Office of the General Counsel and
Regulatory Compliance

Supervisor: S. Kathryn Allen, Commissioner

Measure 1.1: Percentage of financial institutions examined to improve safety and soundness in financial institutions in the District

| | 2000 | 2001 | Fiscal Year 2002 | 2003 | 2004 |
|--------|------|------|---------------------|------|------|
| Target | N/A | 20 | 33 | 50 | 50 |
| Actual | 0 | 0.4 | - | - | - |

Note: Goal title revised 2/27/02. Previous title was "Number of financial institutions examined to improve safety and soundness in financial institutions in the District". FY01 target was 300, FY01 actual was 6.

Measure 1.2: Number of regulations drafted to improve and enforce financial services laws

| | 2000 | 2001 | Fiscal Year 2002 | 2003 | 2004 |
|--------|------|------|---------------------|------|------|
| Target | N/A | 2 | 2 | 2 | 2 |
| Actual | 0 | 3 | - | - | - |

Note: FY02 target reduced from 3 to 2 at request of agency, 2/28/02.

Measure 1.3: Increase total number of Office of Banking and Financial Institutions licensees

| | 2000 | 2001 | Fiscal Year 2002 | 2003 | 2004 |
|--------|------|------|---------------------|------|------|
| Target | N/A | 1500 | 1600 | 1700 | 1750 |
| Actual | 1288 | 1531 | - | - | - |

Note: FY02 target adjusted from 1,650 to 1,600. FY03 target adjusted from 1,815 to 1,700.

Goal 2: Foster the development and revitalization of housing and commercial corridors in underserved District neighborhoods.

Citywide Strategic Priority Area: Promoting Economic Development

Manager: Erika Young, Assistant Commissioner,
CRA/Community Based Lending

Supervisor: Albert Elder, Deputy Commissioner

Measure 2.1: Number of presentations to potential financial institutions and investor groups to promote the chartering of banks and financial institutions

| | Fiscal Year | | | | |
|--------|-------------|------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Target | N/A | 10 | 10 | 10 | 10 |
| Actual | 5 | 10 | - | - | - |

Measure 2.2: Number of E-net policies and procedures developed

| | Fiscal Year | | | | |
|--------|-------------|------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Target | N/A | 3 | 5 | 5 | N/A |
| Actual | 0 | 3 | - | - | - |

Note: By FY 2004 the set of policies will be complete.

Measure 2.3: Number of capital programs implemented, which should increase economic opportunities

| | Fiscal Year | | | | |
|--------|-------------|------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Target | N/A | 3 | 2 | 2 | 2 |
| Actual | 1 | 3 | - | - | - |

Goal 3: Help meet the credit and deposit services needed by low income and minority residents.

Citywide Strategic Priority Area: Promoting Economic Development

Manager: Erika Young, Assistant Commissioner, CRA/Community Based Lending

Supervisor: Albert Elder, Deputy Commissioner

Measure 3.1: Number of proposed broadened statutory authority pieces introduced, which help to increase economic development opportunities

| | Fiscal Year | | | | |
|--------|-------------|------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Target | N/A | 2 | 2 | 2 | 2 |
| Actual | 1 | 2 | - | - | - |

Note: Agency revised reporting on FY00 actual: 0 to 1, (2/28/02).

Measure 3.2: Number of reinvestment programs implemented, which help promote and create community reinvestment opportunities

| | Fiscal Year | | | | |
|--------|-------------|------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Target | N/A | 2 | 2 | 2 | 2 |
| Actual | 1 | 2 | - | - | - |

Goal 4: Enhance access to financial and technical resources available to District residents and businesses operating in the District.

Citywide Strategic Priority Area: Building and Sustaining Healthy Neighborhoods

Manager: E. Janice Ghenene, Public

Information Officer/Community Outreach

Manager, Community Outreach

Supervisor: S. Kathryn Allen, Commissioner

Measure 4.1: Number of events/workshops that the agency sponsors or participates in to provide financial education

| | Fiscal Year | | | | |
|--------|-------------|------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Target | N/A | 30 | 50 | 50 | 50 |
| Actual | 22 | 51 | - | - | - |

Measure 4.2: Number of financial literacy publications made available (cumulative total)

| | Fiscal Year | | | | |
|--------|-------------|------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Target | N/A | 20 | 40 | 40 | 40 |
| Actual | 15 | 36 | - | - | - |

Note: From 2003 onward, DBFI will have established its core base of publications and will be concentrating on making these publications available in several languages.

Measure 4.3: Number of Junior Super Savers Clubs (JSSC) in District elementary schools (cumulative total)

| | Fiscal Year | | | | |
|--------|-------------|------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Target | N/A | 8 | 10 | 12 | 16 |
| Actual | 1 | 9 | - | - | - |

Measure 4.4: Number of services and information available through the agency's web site (cumulative total)

| | Fiscal Year | | | | |
|--------|-------------|------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Target | N/A | 20 | 22 | 25 | 30 |
| Actual | 2 | 20 | - | - | - |

Goal 5: Improve customer satisfaction.

Citywide Strategic Priority Area: Making Government Work

Manager: Albert Elder, Deputy Commissioner

Supervisor: S. Kathryn Allen, Commissioner

Measure 5.1: Percent of complaints acknowledged within 2 business days

| | Fiscal Year | | | | |
|--------|-------------|------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Target | 95 | 95 | 98 | 100 | 100 |
| Actual | 90 | 97 | - | - | - |

Measure 5.2: Percent of complaints resolved within 45 days

| | 2000 | 2001 | Fiscal Year 2002 | 2003 | 2004 |
|--------|------|------|---------------------|------|------|
| Target | 75 | 75 | 80 | 90 | 95 |
| Actual | 25 | 75 | - | - | - |

Note: FY03 target adjusted from 95% to 90% at request of agency, 2/28/02.

Measure 5.3: Percent of financial institution licenses and renewals processed within 45 days

| | 2000 | 2001 | Fiscal Year 2002 | 2003 | 2004 |
|--------|------|------|---------------------|------|------|
| Target | 75 | 75 | 60 | 80 | 95 |
| Actual | 25 | 45 | - | - | - |

Note: FY 2002 target adjusted from 90% to 60% at request of agency, 2/28/02.

Goal 6: Operate like a business.

Citywide Strategic Priority Area: Making Government Work

Manager: Cynthia Eagle, Chief of Staff

Supervisor: S. Kathryn Allen, Commissioner

Measure 6.1: Percent of network and computer systems under 2 years old, which ensures that the agency has state-of-the-art technology

| | 2000 | 2001 | Fiscal Year 2002 | 2003 | 2004 |
|--------|------|------|---------------------|------|------|
| Target | N/A | 90 | 95 | 99 | 99 |
| Actual | 40 | 99 | - | - | - |

Measure 6.2: Number of in-kind dollars donated (thousands of dollars)

| | 2000 | 2001 | Fiscal Year 2002 | 2003 | 2004 |
|--------|------|------|---------------------|------|------|
| Target | 20 | 65 | 75 | 75 | 75 |
| Actual | 53.7 | 75.5 | - | - | - |

Note: FY02 target raised from 70 to 75 at request of agency, 2/28/02.

Measure 6.3: Number of new partnerships formed

| | 2000 | 2001 | Fiscal Year 2002 | 2003 | 2004 |
|--------|------|------|---------------------|------|------|
| Target | N/A | 3 | 6 | 10 | 10 |
| Actual | 12 | 11 | - | - | - |